

the ACNW Executive Director, Dr. John T. Larkins, as far in advance as practicable so that appropriate arrangements can be made to allow the necessary time during the meeting for such statements. Use of still, motion picture, and television cameras during this meeting may be limited to selected portions of the meeting as determined by the ACNW Chairman. Information regarding the time to be set aside for this purpose may be obtained by contacting the ACNW Executive Director prior to the meeting. In view of the possibility that the schedule for ACNW meetings may be adjusted by the Chairman as necessary to facilitate the conduct of the meeting, persons planning to attend should check with the ACNW Executive Director if such rescheduling would result in major inconvenience.

Further information regarding topics to be discussed, whether the meeting has been cancelled or rescheduled, the Chairman's ruling on requests for the opportunity to present oral statements and the time allotted therefor can be obtained by contacting the ACNW Executive Director, Dr. John T. Larkins (telephone 301/415-7360), between 7:30 A.M. and 4:15 P.M. EST.

Dated: December 29, 1994.

Andrew L. Bates,

Advisory Committee Management Officer.

[FR Doc. 95-218 Filed 1-4-95; 8:45 am]

BILLING CODE 7590-01-M

SECURITIES AND EXCHANGE COMMISSION

Request Under Review by Office of Management and Budget

Acting Agency Clearance Officer:

Richard T. Redfearn, (202) 942-8800

Upon written request copy available from: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549.

Proposed Amendments:

Rule 17Ad-2(c)

File No. 270-149

Rule 17Ad-10

File No. 270-265

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1980 (44 U.S.C. § 3501 *et seq.*), the Securities and Exchange Commission has submitted to the Office of Management and Budget request for approval on proposed amendments to the following rules:

Rule 17Ad-2(c) under the Securities Exchange Act of 1934 (15 U.S.C. § 78 *et seq.*), requires registered transfer agents to file a notice with the Commission or

the appropriate regulatory agency whenever the transfer agent fails to meet certain minimum performance standards as set by Commission rules. The proposed amendment expands the group of such reportable items, by requiring the transfer agent to report all items held in its possession for more than three business days, instead of four business days as currently required. As proposed, an average of ten respondents will incur a total of five annual burden hours to comply with Rules 17Ad-2(c), (d), and (h).

Rule 17Ad-10 (17 CFR § 240.17a-10) under the Securities Exchange Act of 1934 (15 U.S.C. §§ 78a *et seq.*), requires transfer agents to create and maintain accurate securityholder files. The proposed amendment to Rule 17Ad-10 would require certain exempt transfer agents to update the master securityholder files every 10 days of transfer instead of 30 days, as is currently required. Approximately 1,800 recordkeepers incur a total of 36,000 hours complying with Rule 17Ad-10.

General comments regarding the estimated burden hours should be directed to the Clearance Officer for the Securities and Exchange Commission at the address below. Any comments concerning the accuracy of the estimated average burden hours for compliance with Commission rules and forms should be directed to Richard T. Redfearn, Acting Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549 and Clearance Officer for the Securities and Exchange Commission, Office of Management and Budget, (Project Numbers 3235-0130 and 3235-0273), Room 3208, New Executive Office Building, Washington, DC 20503.

Dated: December 27, 1994.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-190 Filed 1-4-95; 8:45 am]

BILLING CODE 8010-91-M

[Rel. No. IC-20807; 812-9152]

Putnam Adjustable Rate U.S. Government Fund, et al.; Notice of Application

December 29, 1994.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of Application for Exemption under the Investment Company Act of 1940 (the "Act").

APPLICANTS: Putnam Adjustable Rate U.S. Government Fund, Putnam American Government Income Fund,

Putnam Arizona Tax Exempt Income Fund, Putnam Asia Pacific Growth Fund, Putnam Asset Allocation Funds, Putnam Balanced Government Fund, Putnam California Tax Exempt Income Trust, Putnam California Tax Exempt Money Market Fund, Putnam Capital Appreciation Fund, Putnam Capital Growth and Income Fund, Putnam Capital Manager Trust, Putnam Convertible Income-Growth Trust, Putnam Corporate Asset Trust, Putnam Diversified Equity Trust, Putnam Diversified Income Trust, Putnam Dividend Growth Fund, Putnam Equity Funds, Putnam Equity Income Fund, Putnam Europe Growth Fund, Putnam Federal Income Trust, Putnam Florida Tax Exempt Income Fund, The George Putnam Fund of Boston, Putnam Global Governmental Income Trust, Putnam Global Growth Fund, Putnam Growth Fund, The Putnam Fund for Growth and Income, Putnam Growth and Income Fund II, Putnam Health Sciences Trust, Putnam High Yield Advantage Fund, Putnam High Yield Trust, Putnam Income Fund, Putnam Intermediate Tax Exempt Fund, Putnam Investors Fund, Putnam Managed Income Trust, Putnam Massachusetts Tax Exempt Income Fund II, Putnam Michigan Tax Exempt Income Fund II, Putnam Minnesota Tax Exempt Income Fund II, Putnam Money Market Fund, Putnam Municipal Income Fund, Putnam Natural Resources Fund, Putnam New Jersey Tax Exempt Income Fund, Putnam New Opportunities Fund, Putnam New York Tax Exempt Income Trust, Putnam New York Tax Exempt Money Market Fund, Putnam New York Tax Exempt Opportunities Fund, Putnam Ohio Tax Exempt Income Fund II, Putnam OTC Emerging Growth Fund, Putnam Overseas Growth Fund, Putnam Pennsylvania Tax Exempt Income Fund, Putnam Research Analysts Fund, Putnam Tax Exempt Income Fund, Putnam Tax Exempt Money Market Fund, Putnam Tax-Free Income Trust, Putnam Total Return Bond Funds, Putnam U.S. Government Income Trust, Putnam Utilities Growth and Income Fund, Putnam Vista Fund and Putnam Voyager Fund, (collectively, the "Open-End Trusts"), Putnam California Investment Grade Municipal Trust, Putnam Dividend Income Fund, Putnam High Income Convertible and Bond Fund, Putnam High Yield Municipal Trust, Putnam Intermediate Government Income Trust, Putnam Investment Grade Intermediate Municipal Trust, Putnam Investment Grade Municipal Trust, Putnam Investment Grade Municipal Trust II, Putnam Investment Grade Municipal Trust III, Putnam Managed

High Yield Trust, Putnam Managed Municipal Income Trust, Putnam Master Income Trust, Putnam Master Intermediate Income Trust, Putnam Municipal Opportunities Trust, Putnam New York Investment Grade Municipal Trust, Putnam Premier Income Trust and Putnam Tax-Free Health Care Fund (collectively, the "Closed-End Trusts," and together with the Open-End Trusts, the "Trusts"), and Putnam Investment Management, Inc. (the "Manager").

RELEVANT ACT SECTIONS: Order requested under section 6(c) of the Act for an exemption from sections 13(a)(2), 13(a)(3), 18(a), 18(c), 18(f)(1), 22(f), 22(g) and 23(a) of the Act, and rule 2a-7 thereunder, under sections 6(c) and 17(b) of the Act for an exemption from section 17(a)(1) of the Act, and under section 17(d) of the Act and rule 17d-1 thereunder.

SUMMARY OF APPLICATION: Applicants request an order that would permit the Trusts to enter into deferred compensation arrangements with their trustees.

FILING DATE: The application was filed on August 9, 1994 and amended on December 9, 1994.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on January 23, 1995, and should be accompanied by proof of service on applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants, One Post Office Square, Boston, Massachusetts 02111.

FOR FURTHER INFORMATION CONTACT: Deepak T. Pai, Staff Attorney, at (202) 942-0574, or Robert A. Robertson, Branch Chief, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch.

Applicant's Representations

1. Each Open-End Trust is a registered open-end management investment company organized as a Massachusetts business trust. Certain of the Open-End Trusts consist of more than one series of shares. Each Closed-End Trust is a registered closed-end management investment company organized as a Massachusetts business trust and each consists of only a single series of shares. The Manager serves as the investment adviser for the Trusts. Putnam Mutual Funds Corp. serves as the Open-End Trusts' principal underwriter. Applicants request that the proposed relief apply to the Trusts and all subsequently registered investment companies advised by the Manager (such registered investment companies, together with the Trusts, being referred to collectively as the "Funds"). Any relief granted from section 13(a)(3) of the Act would extend only to existing Trusts.

2. Each Trust has a board of trustees, a majority of whom are not interested persons of the Manager or any of the Trusts. Each trustee of the Trusts receives an annual retainer fee and an additional fee for each trustees' meeting attended. Trustees who are not interested persons of the Manager or any of the Trusts and who serve on committees of the trustees receive additional fees for attendance at committee meetings. The proposed deferred fee arrangements would be implemented by means of a fee deferral plan (the "Plan"), which would permit individual trustees to elect to defer receipt of all or a portion of their fees. This would enable these trustees to defer payment of income taxes on such fees.

3. Under the Plan, the deferred trustee's fees will be credited to a book entry account established by each participating Fund (the "Deferred Fee Account"), as of the date the fees would have been paid to a trustee. The value of the Deferred Fee Account will be periodically adjusted by treating the Deferred Fee Account as though an equivalent dollar amount had been invested and reinvested in certain designated securities (the "Underlying Securities"). The Underlying Securities for a Deferred Fee Account will be shares of the Funds that a participating trustee designates. Each Deferred Fee Account shall be credited or charged with book adjustments representing all interest, dividends and other earnings and all gains and losses that would have been realized had such account been invested in such Underlying Securities.

4. The Fund's obligation to make payments from a Deferred Fee Account will be a general obligation of the Fund and payments made pursuant to the Plan will be made from each Fund's general assets and property. With respect to the obligations created under the Plan, the relationship of a trustee to the Fund will be only that of a general unsecured creditor. The Fund will be under no obligation to the trustee to purchase, hold or dispose of any investments but, if the Trust chooses to purchase investments to cover its obligations under the Plan, then any and all such investments will continue to be a part of the general assets and property of the Trust.

5. As a matter of prudent risk management, each Fund intends to, and with respect to any money market Fund that values its assets by the amortized cost method will, purchase and maintain Underlying Securities in an amount equal to the deemed investments of the Deferred Fee Accounts. The Plan will not obligate any Fund to retain the services of a trustee, nor will it obligate any Fund to pay any (or any particular level of) trustee's fees to any trustee.

Applicants' Legal Analysis

1. Applicants request an order that would exempt the Funds under section 6(c) of the Act from sections 13(a)(2), 18(a), 18(c), 18(f)(1), 22(f), 22(g) and 23(a) of the Act, the rule 2a-7 thereunder, under sections 6(c) and 17(b) of the Act from section 17(a)(1) of the Act, and under section 17(d) of the Act and rule 17d-1 thereunder to permit the Funds to enter into the deferred fee arrangements. The existing Trusts also request an exemption under section 6(c) from section 13(a)(3) of the Act. The finding required by section 17(b)(2) for the existing Trusts is predicated on the assumption that relief is granted from section 13(a)(3).

2. Sections 18(a) and 18(c) restrict the ability of a registered closed-end investment company to issue senior securities. Section 18(f)(1) generally prohibits a registered open-end investment company from issuing senior securities. Section 13(a)(2) requires that a registered investment company obtain shareholder authorization before issuing any senior security not contemplated by the recitals of policy in its registration statement. Applicants state that the Plan possesses none of the characteristics of senior securities that led Congress to enact these sections. The Plan would not induce speculative investments or provide opportunities for manipulative allocation of any Fund's expenses or

profits, affect control of any Fund, confuse investors or convey a false impression as to the safety of their investments, or be inconsistent with the theory of mutuality of risk. All liabilities created under the Plan would be offset by equal amounts of assets that would not otherwise exist if the fees were paid on a current basis.

3. Section 22(f) prohibits undisclosed restrictions on transferability or negotiability of redeemable securities issued by open-end investment companies. The Plan would set forth all such restrictions, which would be included primarily to benefit the participating trustees and would not adversely affect the interests of the trustee, the Fund or of any shareholder.

4. Sections 22(g) and 23(a) prohibit registered open-end investment companies and closed-end investment companies, respectively, from issuing any of their securities for services or for property other than cash or securities. These provisions prevent the dilution of equity and voting power that may result when securities are issued for consideration that is not readily valued. Applicants believe that the Plan merely would provide for deferral of payment of such fees and thus should be viewed as being issued not in return for services but in return for a Fund not being required to pay such fees on a current basis.

5. Section 13(a)(3) provides that no registered investment company shall, unless authorized by the vote of a majority of its outstanding voting securities, deviate from any investment policy that is changeable only if authorized by shareholder vote. Certain of the Trusts have a fundamental investment restriction specifically or effectively prohibiting them from investing in securities of other investment companies, except in connection with a merger, consolidation or acquisition of assets. Applicants believe that it is appropriate to exempt applicants as necessary from section 13(a)(3) so as to enable the existing Trusts to invest in Underlying Securities without a shareholder vote. Applicants will provide notice to shareholders in the statement of additional information of the deferred fee arrangement with the trustees. The value of the Underlying Securities will be *de minimis* in relation to the total net assets of the respective Fund, and will at all times equal the value of the Fund's obligations to pay deferred fees. Because investment companies that might exist in the future could establish fundamental policies that would accommodate purchases of shares of investment companies in connection with the deferred fee

arrangement, the relief requested from section 13(a)(3) would extend to existing Trusts only.

6. Rule 2a-7 imposes certain restrictions on the investments of "money market funds," as defined under the rule, that would prohibit a Fund that is a money market fund from investing in the shares of any other Fund. Applicants believe that the requested exemption would permit the Funds to achieve an exact matching of Underlying Securities with the deemed investments of the Deferred Fee Accounts, thereby ensuring that the deferred fees would not affect net asset value.

7. Section 17(a)(1) generally prohibits an affiliated person of a registered investment company from selling any security to such registered investment company, except in limited circumstances. Funds that are advised by the same entity may be "affiliated persons" under section 2(a)(3)(C) of the Act. Applicants believe that an exemption from this provision would not implicate Congress' concerns in enacting section 17(a)(1) but would facilitate the matching of each Fund's liability for deferred trustees' fees with the Underlying Securities that would determine the amount of such Fund's liability. Applicants assert that the proposed transaction satisfies the criteria of sections 6(c) and 17(b).

8. Section 17(d) and rule 17d-1 generally prohibit a registered investment company's joint or joint and several participation with an affiliated person in a transaction in connection with any joint enterprise or other joint arrangement without SEC approval. Under the Plan, participating trustees will not receive a benefit that otherwise would inure to a Fund or its shareholders. When all payments have been made to a participating trustee, the participating trustee will be no better off (apart from the effect of tax deferral) than if he or she had received trustees' fees on a current basis and invested them in Underlying Securities.

Applicants' Conditions

Applicants agree that the order granting the requested relief shall be subject to the following conditions:

1. With respect to the requested relief from rule 2a-7, any money market Fund that values its assets by the amortized cost method or the penny-rounding method will buy and hold Underlying Securities that determine the performance of Deferred Fee Accounts to achieve an exact match between such Fund's liability to pay deferred fees and the assets that offset that liability.

2. If a Fund purchases Underlying Securities issued by an affiliated Fund, the purchasing Fund will vote such shares in proportion to the votes of all other holders of shares of such affiliated Fund.

For the Commission, by the Division of Investment Management, under delegated authority.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 95-234 Filed 1-4-95; 8:45 am]
BILLING CODE 8010-01-M

[Investment Company Act Release No. 20806; 811-5535]

FN Network Tax Free Money Market Fund, Inc.

December 29, 1994.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of Application for Deregistration under the Investment Company Act of 1940 (the "Act").

APPLICANT: FN Network Tax Free Money Market Fund, Inc. (the "Fund").

RELEVANT ACT SECTION: Section 8(f).

SUMMARY OF APPLICATION: Applicant requests an order declaring that it has ceased to be an investment company.

FILING DATE: The application was filed on December 8, 1994.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on January 23, 1995 and should be accompanied by proof of service on the applicant, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 5th Street, N.W., Washington, D.C. 20549. Applicant, 144 Glenn Curtiss Boulevard, Uniondale, NY 11556-0144.

FOR FURTHER INFORMATION CONTACT: Sarah A. Buescher, Law Clerk, at (202) 942-0573, or Robert A. Robertson, Branch Chief, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the